

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matters of)	
)	
Provision of Directory Listing)	
Information Under the)	CC Docket No. 99-273
Telecommunications Act of 1934,)	
As Amended)	
)	
Telecommunications Relay Services and)	
Speech-to-Speech Services for)	CC Docket No. 98-67
Individuals with Hearing and Speech)	
Disabilities)	

COMMENTS OF U S WEST COMMUNICATIONS, INC.

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COMMENTS OF U S WEST COMMUNICATIONS, INC.

I. INTRODUCTION AND SUMMARY

U S WEST Communications, Inc. submits these comments to the proposal of Telegate, Inc.¹ Telegate's proposal should be denied for the following reasons, all of which are addressed at greater length below:

1. The Federal Communications Commission ("FCC" or "Commission") could not have found that forbearance was appropriate with respect to the provision of nonlocal directory assistance ("DA") just months ago, then find today that either the competitive marketplace or the public interest requires establishing an "equal access" regime with respect to 411 dialing. The Commission's U S WEST National DA Order,² which granted U S WEST forbearance with regard to the provision of service through a Section 272

¹ Comments of Telegate AG ("Telegate"), CC Docket No. 99-273, filed Oct. 13, 1999; Ex Parte Presentation of Telegate, CC Docket No. 99-273, filed Mar. 10, 2000 ("Telegate Ex Parte"); see also Public Notice, Common Carrier Bureau Seeks Further Comment on Telegate's Proposal for Presubscription to "411" Directory Assistance Services, DA 00-930, rel. Apr. 27, 2000 ("Public Notice").

² In the Matter of Petition of U S WEST Communications, Inc. for a Declaratory Ruling Regarding the Provision of National Directory Assistance, Petition of U S WEST Communications, Inc. for Forbearance, The Use of N11 Codes and Other Abbreviated Dialing Arrangements, 14 FCC Rcd. 16252 (1999), pets. for recon. pending ("U S WEST National DA Order").

affiliate, incorporated into its analysis and decision essential findings totally at odds with a ruling granting Telegate its requested relief.³

2. The marketplace for DA services is admittedly already robustly competitive. Those admissions hail not only from regulatory authority but service providers themselves. Couple that competition with the admitted fact that 411 dialing is being extended to competitive local exchange carriers (“CLEC”), and that incumbent local exchange carriers (“ILEC”) are seeing decreasing DA volumes, and the evidence demonstrates that extended 411 dialing to non-carriers is hardly necessary to advance competition with regard to DA services.
3. In the realm of numbering policy, there are different nuances associated with the following two sets of facts: (a) confining the use of 411 to carriers providing basic DA, with a mandate that if the current user extends its services into a non-carrier service market, the dialing pattern be open; and (b) opening the carrier dialing pattern to non-telecommunications providers offering information services. While the former ostensibly seeks to control “leveraging” of some kind from a “monopoly” to an “adjacent” market, the latter seeks to influence the makeup of the existing service provisioning environment, i.e., the service associated with 411 dialing. The facts associated with DA demonstrate that the existing environment does not need the kind of “overhaul” proposed by Telegate. Nor would consumers be benefited by such regulatory mandate.
4. The economic analysis proffered by Telegate is infirm by magnitudes of many times over. Significantly more national investment would be required in the Signalling System 7 (“SS7”)/Advanced Intelligent Network (“AIN”) than Telegate acknowledges. Moreover, individual companies would be materially affected financially in underwriting Telegate’s proposal. Ultimately, the cost/benefit analysis fails to prove that the public would be benefited by creating an equal access presubscription model to the current 411 dialing pattern utilized by local exchange carriers (“LEC”).

For all of the above reasons, Telegate’s proposal must be dismissed. Its requested relief is essentially at odds with the Commission’s most recent findings about the state of DA service competition, the competitive or discriminatory impact

³ For example, under the U S WEST National DA Order, the Commission found that forbearance was “not necessary for the protection of consumers” (a negative finding)

of LEC utilization of a 411 dialing pattern not available to all other DA service providers, and the public interest and consumer benefit in allowing local exchange customers to continue to make use of such dialing pattern. Moreover, given the increasingly competitive DA service environment and the concomitant reduction in ILEC calling volumes, it is impossible to make out a meaningful case that DA service providers are materially harmed by their current inability to offer a 411 dialing pattern. Finally, Telegate's economic analysis of its proposal is seriously infirm. While Telegate argues that it would cost the overall industry between \$21 and \$23 million dollars to accommodate its proposal, U S WEST's best analysis (given the timeframe involved and the lack of firm proposals/bids) is that it would cost U S WEST alone -- the smallest of the Bell Operating Companies ("BOC") -- what Telegate claims would be the overall industry costs. The financial price tag just gets worse from there. Telegate has certainly failed to demonstrate, through any sound cost/benefit analysis, that its proposal is in the public interest.

One final observation. Telegate, like so many commentators pressing the Commission for regulatory intervention in the free market, shrouds its entreaties in tiresome, misused rhetoric about "anticompetitive this" and "monopoly that"⁴ while offering little evidence about the true scope of competitive alternatives and claiming a public interest where there would only be a public annoyance. In light of the Commission's recent determination that the continued provision of DA services by

and that forbearance was "consistent with the public interest" (a positive finding). Id. at 16259-60 ¶ 13.

⁴ See Telegate Ex Parte at 18-19.

LECs with a 411 dialing pattern did not impede competition,⁵ did not amount to an unreasonable discrimination,⁶ and was in the public interest,⁷ the Telegate proposal must be denied.

II. TELEGATE'S POSITIONS ARE DEFEATED BY EXISTING REGULATORY PRECEDENT

In no less than three proceedings in the past year, the Commission has held that the DA market is robustly competitive. While itself conceding the competitive nature of these services,⁸ Telegate presses for an industry discombobulation no less severe than another “equal access.” Passing this unprecedented industry endeavor off as something not very significant (something that U S WEST hazards to guess that many consumers would take issue with since said consumers are still complaining about the legacy of this “competitive alternative” model), Telegate proposes this pre-Telecommunications Act “remedy” be adopted for an already robustly-competitive service environment.

Nothing about the Telegate proposal demonstrates a Congressional intent to advantage a non-telecommunications industry through manipulation of a telecommunications resource. Nor, does Telegate prove the need for such “remedy,” even if their cost/benefit analysis could stand up to strict scrutiny (which it cannot). Information services providers need not ride on the backs of long-established telecommunications numbering policies (policies which continue to permeate the

⁵ See U S WEST National DA Order, 14 FCC Rcd. at 16270-71 ¶ 32, 16275-76 ¶ 41.

⁶ Id. at 16276-77 ¶ 43.

⁷ Id. at 16277 ¶ 44, 16279-80 ¶ 51.

basic telecommunications marketplace) and the telecommunications infrastructure to be successful. The public should not be expected to bear the expense of acting as their promotional agents.

A. DA Services Are Competitive; LEC Competition Grows;
ILEC Volumes are Decreasing

1. DA Services Are Competitive

In no less than three separate proceedings in the last year, the Commission has determined that DA services are competitive and ubiquitous. In the U S WEST National DA Order, the Commission pointed out that DA services were available by sources other than ILECs, citing to services offered by CLECs,⁹ by AT&T and MCI,¹⁰ as well as non-carrier independent DA providers. In a Notice of Proposed Rulemaking established for the purpose of investigating the propriety of going beyond Congress' express intentions regarding the provision of directory information to only certain specified classes of carriers, the FCC found that "the provision of directory assistance has become increasingly competitive,"¹¹ spurred on

⁸ See Telegate at 4, 7.

⁹ U S WEST National DA Order, 14 FCC Rcd. at 16261-62 ¶ 16, 16276 ¶ 42.

¹⁰ See id. at 16257 ¶ 10 and n.19 (referencing AT&T's and MCI's DA offerings), 16271 ¶ 33 (noting that there is already competition in the nonlocal directory assistance market from other carriers, "from Internet service providers, providers of payphone and cellular telephone services, and independent directory assistance service providers") and n.87 (identifying some of these competitors), 16279 ¶ 50 and n.108.

¹¹ In the Matters of Implementation of the Telecommunications Act of 1996: Telecommunications Carrier's Use of Customer Proprietary Network Information and Other Customer Information, Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Provision of Directory Listing Information under the Telecommunications Act of 1934, As Amended, Third Report

by a “market-driven demand” already in existence ranging from CLECs to interexchange carriers (“IXC”) to business and residential customers.¹² Yet again, in the UNE Remand Order, the Commission removed DA services from the list of unbundled network elements because of the robustly competitive nature of the DA market.¹³

Indeed, even Telegate concedes that the provision of DA services is competitive. It acknowledges that the size of the DA business is already quite substantial,¹⁴ weighing in at almost \$3 billion and growing.¹⁵ Against this backdrop

And Order in CC Docket No. 96-115, Second Order on Reconsideration of the Second Report and Order in CC Docket No. 96-98, and Notice of Proposed Rulemaking in CC Docket No. 99-273, 14 FCC Rcd. 15550, 15645-46 ¶ 183 (1999) (all future references to these proceedings are to the “Notice”).

¹² See id., and see id. at 15648-49 ¶ 190.

¹³ See In the Matter of Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, Third Report and Order and Fourth Further Notice of Proposed Rulemaking, 15 FCC Rcd. 3696, 3894-95 ¶¶ 447-48 (noting that DA providers have existed since divestiture and that “competition has accelerated in the directory assistance market” as a result of the Feist decision) (“UNE Remand Order”), pets. for recon. pending, cons. appeal in abeyance sub nom. United States Telecom Association v. FCC, No. 00-1015, et al. (D.C. Cir.); additionally, the Commission observed that the advancement of this competition “coincides with a decrease in incumbent LEC OS/DA call volumes.” Id. at 3895 ¶ 449. Moreover, in the Local Competition Second Report and Order, the Commission determined that no action was necessary to change the LEC DA dialing arrangements or to require any alternative codes for access to DA. See, In the Matters of Implementation of the Local Competition Provisions in the Telecommunications Act of 1996, Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers, Area Code Relief Plan for Dallas and Houston, Ordered by the Public Utility Commission of Texas, Administration of the North American Numbering Plan, Proposed 708 Relief Plan and 630 Numbering Plan Area Code by Ameritech-Illinois, Second Report and Order and Memorandum Opinion and Order, 11 FCC Rcd. 13392, 19464 ¶ 151 (1996) (“Local Competition Second Report and Order”).

¹⁴ See Telegate Ex Parte at 15.

of regulatory findings and petitioner concessions, it is hard to imagine why the providers of DA services require FCC “help” in artificially “supporting” their provision of such services.

2. CLEC Competition Expands 411 Dialing Competition

As the Commission repeatedly stated in the U S WEST National DA Order, CLECs currently enjoy 411 dialing.¹⁶ It is anticipated that the number of CLECs will increase, and with them “one-stop shopping” for services will also increase.¹⁷ Thus, utilization of 411 through non-ILEC vehicles will continue. Given those facts, the question posed by Telegate is not so much whether ILECs should be deprived of the 411 dialing pattern but whether LECs should be.

The competition between ILECs and CLECs is the competition Congress sought to promote through the Telecommunications Act of 1996. It is that competition the Commission should focus on. Attempts by the Commission to promote competition in adjacent markets, based on “general” Communications Act provisions, does an injustice to Congressional intent, the expectations of the telecommunications industry, and the consumer. It essentially amounts to an attempt to manipulate the telecommunications created and financed networks and

¹⁵ See id. at 14.

¹⁶ See, e.g., U S WEST National DA Order, 14 FCC Rcd. at 16257 ¶ 10, 16276 ¶ 43.

¹⁷ Id. at 16276 ¶ 43.

infrastructure to benefit non-carriers who themselves attempt to lateral the costs and expenses of this manipulation on others.¹⁸

While there may well be CLECs who argue that non-carrier DA service providers should get the benefit of 411 dialing (those CLECs themselves subcontracting with such DA providers for their services), such advocacy is short-sighted. It derives more from a position of “get the ILEC” than from the position of sound public policy or consumer benefit.¹⁹

Telegate’s proposal may represent the best of capitalistic enterprise, but granting it would compromise both the interests of the telecommunications industry and the public. The Commission should reject it.

3. ILEC Volumes Are Decreasing

In the UNE Remand Order proceeding, the Commission noted the submitted evidence regarding the volume decrease associated with ILEC DA dialing, at least

¹⁸ See generally, Comments of U S WEST, CC Docket No. 99-273, filed Oct. 13, 1999; Reply Comments of U S WEST, CC Docket No. 99-273, filed Oct. 29, 1999.

¹⁹ Moreover, there is a state impact component to the Telegate proposal that has not been addressed. While states do not control the assignment of N11s, it is also true that, to the extent the LECs in a state utilize the 411 dialing pattern, most state regulatory commissions exert some kind of jurisdiction over the service. (Of course, this may not be true in a state where a legislative enactment deregulates the service or a state commission is empowered, on its own authority, to do so and such has been done.) Most often, this jurisdiction extends to DA services provided to persons with disabilities (ranging from voice, speech, hearing, physical and mental). It is not unusual for such regulations to allow persons with disabilities to enjoy even less expensive access to DA services than the able-bodied population. While Telegate cites to the communication from a person with a disability to Pacific Telesis complaining about a price increase (Telegate Ex Parte at 5), U S WEST ventures a guess that LECs probably provide greater accommodations to persons with disabilities than non-carriers, due to the mandates of Section 255 and historical state regulatory traditions.

with respect to former BOCs.²⁰ U S WEST can attest to the accuracy of the decreasing volumes.²¹ Indeed, even Telegate acknowledges that competitive entry decreases the volumes of the incumbent provider.²²

Given the combination of increased competition and reduction of ILEC 411 volumes, it is clear that whatever “stranglehold” Telegate argues exists with respect to DA services²³ is poppycock. The truth is, despite the 411 dialing pattern, competition has managed to percolate and grow.

Moreover, it is not for the non-carrier competitor to assert that the LECs would benefit from expanding the 411 dialing pattern because it would open up to them the provision of enhanced DA.²⁴ Rather, this is a “cost/benefit” analysis that the LECs must undertake.

Given that the association of 411 with basic DA does no harm to the adjacent non-basic DA service environment,²⁵ the question is whether the continued utilization of this prefix with basic DA somehow impedes the ability of non-carrier

²⁰ See UNE Remand Order, 15 FCC Rcd. at 3895 ¶ 449, citing to Comments of SBC Communications, Inc., CC Docket No. 96-98, filed May 26, 1999 at 64.

²¹ This is true even though U S WEST enjoyed a significant spike in volumes with its introduction of National DA Services. See U S WEST National DA Order, 14 FCC Rcd. at 16276-27 ¶ 43. Overall, the trend continues downward.

²² See Telegate Ex Parte at Attachment B, Affidavit of Stephen E. Siwek at 3, 16 (“Siwek Affidavit”) (Telegate’s entry into German DA market resulted in its capturing a 20 percent market share which reflected the decrease in calling volumes enjoyed by the incumbent).

²³ Telegate Ex Parte at 4.

²⁴ See id. at 8.

²⁵ See Siwek Affidavit at 5 (noting that the future customer demand will be with enhanced DA).

DA providers to promote and provision basic DA. Hardly. As the Commission has acknowledged, these service providers are free to provide such services through their own easily recognizable numbers.²⁶ Carriers interested in competing with respect to such services are doing so today, and the numbers are only expected to increase.

Non-carriers providing enhanced DA services can find an easily recognizable number through which to offer their services.²⁷ If the prices/product offering for DA were modified to be more market responsive, these providers might see better results if their prices were lowered. That would be a great marketplace result and could be achieved without substantial telecommunications industry participation or cost.

III. LOWER PRICES AND PRODUCT REDEFINITIONS -- NOT "411 EQUAL ACCESS" -- WOULD EXPAND THE PROVISION OF ALTERNATIVE DA SERVICES

The public interest would not be served by requiring carriers in competition with companies such as Telegate, and those carriers' customers, to pay for the infrastructure changes necessary to accommodate Telegate's vision of "411 equal access." This is especially true when it is the case that alternative DA services are

²⁶ As the Commission has correctly noted, an N11 "is by no means essential to making [information] service[s] available." See In the Matter of The Use of N11 Codes and Other Abbreviated Dialing Arrangements, First Report and Order and Further Notice of Proposed Rulemaking, 12 FCC Rcd. 5572, 5584-85 ¶ 20 (1997) ("N11 Order"). Moreover, as the Commission also acknowledged "there are other ways currently available to achieve convenient dialing." Id.

²⁷ Telegate and its experts both baldly assert that the AT&T "OO" offering and the MCI "10-10-9000" offering have little service penetration. See Telegate Ex Parte at

already accessible (or could be) through other easily-remembered dialing patterns. Moreover, such providers could become even more visible in the marketplace with aggressive (and perhaps increased) advertising expenditures.²⁸ **Assuming their DA services were configured in a manner to accommodate customer desires and the price was right (a very problematic assumption)**, consumers conceivably could be even more receptive to the offerings of non-LEC providers than those of the LECs.²⁹

It is certainly not sound economic or public policy, however, to substitute customers' aversion to high prices with the need to engage in an elaborate reconfiguration of the 411 dialing protocol. In its request for relief, Telegate promotes the benefits of the Commission's equal access regime. It spends no time addressing the downside fallout associated with that process. After all, the reason an allocation process had to be established in the first instance is because so many individuals failed to affirmatively make a decision for a carrier. And, to this day, queries of consumers will demonstrate that the "equal access process," however laudable from an intellectual industry perspective, remains one of their worst nightmares.

11 and at Attachment A, Affidavit of John M. Celentano at 6 ("Celentano Affidavit"). However, they provide no facts or figures to support this assertion.

²⁸ When U S WEST switched its DA dialing pattern in Oregon and Washington from 555-1212, it underwent significant customer education and advertising expenses. It is not clear why those expenditures should inure to a competitive provider offering services beyond those offered by U S WEST.

²⁹ Siwek Affidavit at 5 (asserting that enhanced DA is the service of the future necessary to satisfy customer demand).

Does this Commission really think that the consumer marketplace wants to participate in -- let alone pay for -- infrastructure changes that put them in a position of having to “vote” on each aspect of their service provision? Does the Commission think that the “slamming” legacy associated with 1+ presubscription would be confined to that service offering if 411 presubscription became a reality? The answer to both these questions is “no.” The bottom line is that Telegate’s proposal is not in the public interest. This is all the more obvious when the economics of the proposal are more accurately assessed and analyzed.

IV. TELEGATE’S ASSUMPTIONS AND COST ESTIMATES ARE INFIRM

Telegate claims that its entire proposal would not cost the American public more than about 11 cents per telecommunications customer in the United States. It never explains why these telecommunications consumers, rather than the DA providers and their customers, should pay for the “equal access” proposal espoused by it at all. After all, it was the IXCs that paid for the prior equal access experience, through the access charge regime (the legacy of which continues to haunt the industry to this day). If any cost recovery model is appropriate to a 411 presubscription experience it is that model -- not the “surcharge” model of local number portability (“LNP”).

But in any event, the assumptions Telegate articulates and the cost figures it derives from those assumptions are sorely deficient. Its proposal would cost the telecommunications industry -- and the public -- in excess of four times the amount it proposes, especially when 411 presubscription activities it (erroneously) asserts

should be “borne by the LEC” are incorporated into the overall industry work package. Finally, its proposed cost recovery mechanism, i.e., an ubiquitous end-user surcharge with ongoing order costs being recovered incrementally, is not an appropriate model when the fundamental purpose behind the proposal is to promote the coffers not of the telecommunications industry but of select non-carriers participating in the provision of one type of information service.

A. Telegate Apparently Does Not Appreciate What Constitutes A “Major Network Modification”

In support of its proposal, Telegate claims that its request for relief is really comparable to pre-existing network and regulatory initiatives, so it really does not propose anything radical. Nothing could be farther than the truth. There really are no “comparable” network or regulatory initiatives to what Telegate proposes, given the fundamental facts that one begins with: that the provision of DA services is already competitive; that the costs of Telegate’s proposal are severely understated; and that the public would find little benefit to a repeat of the “equal access” experience (just ask some of them!).

Telegate asserts that AIN-based routing scenario for 411 calls “can be achieved without requiring major network modifications.”³⁰ In part, this claim is based on the fact that the N11 trigger exists in LEC switches at a high percentage across the country.³¹

³⁰ Telegate Ex Parte at 12.

³¹ Id. at 12-13. And see Celentano Affidavit at 15 ¶ 26; Siwek Affidavit at 7 ¶ 17.

But Telegate's own advocacy demonstrates a high likelihood that there will be disagreement over what is or is not a "major network modification."³² In U S WEST's opinion, even the addition of seven Service Control Points ("SCP") into the national network to support the information services of non-carriers constitutes a "major" network change. And, as we discuss more fully below, our analysis demonstrates that at least twice that number would probably be necessary.

Moreover, the costs of complying with Telegate's proposal will not be so nicely "averaged" as an "industry-wide" cost analysis suggests. And, for each LEC, the cost analysis will be different, affecting some to a much greater material degree than suggested by Telegate and its experts, depending on the extent to which AIN 0.1 has actually been deployed in its network infrastructure. For example, U S WEST has a considerable number of switches that have no AIN deployment at all.

Even where AIN 0.1 has been deployed, the tasks associated with activating a N11 trigger in order to accomplish a 411 presubscription will differ from carrier to carrier, due to the fact that the programming language used for AIN software development differs between carriers. For that reason, to accomplish the proposal espoused by Telegate could require that each LEC develop the N11 software to its own specifications in order to avoid complications associated with feature interactions.

³² Telegate Ex Parte at iii ("The Commission has frequently ordered carriers to make **major** investments in new infrastructure in order to permit competition." Emphasis added.)

Essentially, Telegate's "industry averaging" tends to underestimate the significance of the "network modification" and "financial investment" of individual carriers. When coupled with its significant underestimate of the overall industry costs, themselves, it is obvious that the cost/benefit analysis is infirm and cannot support a public interest finding.

B. Telegate Materially Underestimates
The Costs Of Its Proposal

Telegate claims that only a "modest investment" is necessary to realize its proposal.³³ As with the issue of what constitutes a "major network investment," there are certain to be differences of opinion on what constitutes a "modest investment." Without conceding that an investment in the range of \$21 to \$23 million (Telegate's assumptions) is "modest," U S WEST submits that the claimed price tag associated with Telegate's proposal is understated several times over.

U S WEST has developed cost estimates for the network and investment impacts of the Telegate proposal. **For our region alone -- the smallest of the BOCs -- the Telegate proposal would require an incremental investment of \$20.8 million with an annual recurring network maintenance expense of \$1.2 million.** This is far in excess of that claimed by Telegate. If the cost analyses of other companies come in at anything comparable, the claimed proposed costs of the Telegate proposal are off by a magnitude of 400 percent.

In assessing the costs associated with Telegate's proposal, we took into account a number of variables, ranging from the extent to which AIN 0.1 is

deployed in the U S WEST network, to the fact that the mere volume of records proposed to be stored in the network SCPs belies their being able to be handled by only seven additional pairs, to the fact that Telegate ignores certain Operational Support System (“OSS”) costs that clearly will be borne by LECs to accommodate Telegate’s vision. When Telegate’s analysis is “corrected” to incorporate the true costs of its proposals, there is no credible way to find that such presents a cost/benefit analysis in the public interest.

With respect to the extent of AIN 0.1 deployment, in the U S WEST network, two switch types lack AIN 0.1 software. This amounts to about 200 switches. Of course, the extent to which -- in any particular company -- AIN 0.1 is deployed will be quite idiosyncratic. Older switches are more likely to lack the capability.

Within the U S WEST network, a **minimum** of two Integrated Service Control Points (“ISCP”) would be needed initially to handle the volume of U S WEST line records necessary for 411 presubscription. This is based on the fact that the maximum ISCP record size capacity in our network is 15 million records per pair. Since there are 24 million numbers in the U S WEST network, two ISCP pairs would be required. Our analysis shows that a third would be required by the end of 2005.

Telegate’s expert asserts that in 1997 there were 200,000,000 access lines in the United States.³⁴ If all the ISCPs in the United States had the same capacity as those in the U S WEST network, a minimum of at least 14 ISCPs -- rather than

³³ Telegate Ex Parte at 14.

Telegate's estimated seven -- would be necessary to accomplish Telegate's proposal. Since U S WEST has the least amount of access lines of all the BOCs, it is quite likely that even more than 14 ISCPs would be required.

Looking at Telegate's proposal from a different perspective, while U S WEST questions Telegate's attempts to draw analogies between LNP and its presubscription proposal³⁵ due to the material differences in service and network architecture, some comparisons can be made that demonstrate the extent to which Telegate has underestimated the scope and scale of its proposal from a network and a financial perspective.

The LNP AIN environment is based on a concept of default routing. That is, while there is a query for each telephone number when the number is dialed by a caller, the database only contains information about numbers that have actually been ported, i.e., "positive" data entries. Where there is no information in the database, the number is "defaulted" and routed according to traditional numbering routing guides.

Across the nation, to store only the positive data entries associated with LNP requires seven national databases. Telegate is proposing to store all data entries about a subscriber's DA provider choice.³⁶ It is that fact that requires information about all 200,000,000+ access lines to be stored in ISCPs.

³⁴ See Siwek Affidavit at 9.

³⁵ Telegate Ex Parte at 15.

³⁶ See Celentano Affidavit at 18 ¶ 33 ("there will be no exception or default routing").

Moving from the fundamental network architecture to the supporting systems, Telegate essentially suggests that DA providers will be the beneficiaries of some kind of LEC philanthropy. Asserting that “cooperative industry participation” will be necessary to accomplish its proposal,³⁷ it asserts that certain costs should be “borne” by LECs.³⁸ These costs appear to include the creation and population of a new database for customer service record management, which affects the current OSS and Service Management Systems. U S WEST, however, is not interested in extending our charitable contributions in this direction and we would expect to recover the associated non-recurring and recurring costs of this design and development work. Such could reach the level between \$8 million and \$10 million, with a 15 percent ongoing maintenance fee.³⁹

Finally, the Telegate proposal does not include other costs that the LECs will be invariably asked to incur on behalf of unaffiliated 411 service providers, even if LECs have no interest in performing them. Billing for the 411 providers “occasional user” comes to mind.⁴⁰

³⁷ Id. at 17 ¶ 30. And compare id. at 25 ¶ 47.

³⁸ Id. at 27-28 ¶ 53.

³⁹ It is not at all clear how the business office/service order costs associated with the “post-equal access” conversion would be covered. Telegate does not state whether these costs would be borne by the consumer changing 411 providers (similar to the currently-assessed carrier-change charge) or whether the provider would bear this cost, with the option of seeking recovery from its customer.

⁴⁰ See Celentano Affidavit at 26 ¶ 19 (stating that “billing for the occasional user might be done by the ILEC” while users of larger volumes would probably be billed directly by the DA service provider).

When Telegate's proposal is "trued up" for its total cost to the telecommunications industry, and when one acknowledges predictable future claims for 411 service provider support (with those expected costs), it is clear that the Telegate proposal represents a major network investment, with concomitantly major expenses for the telecommunications industry. Moreover, the suggestion that the price tag for this endeavor should be paid for by the United States telecommunications consumers, rather than by the information service DA providers and their customers, blatantly seeks to convert carriers into financial lending institutions. For all these reasons, the proposal should be denied.

C. Telegate's Deployment Timeframe Is Woefully Understated

Telegate argues that its proposal can be accomplished in a six- to nine-month timeframe.⁴¹ However, this time frame assumes an underlying LEC readiness to proceed immediately to deployment. With no national standards established to support an industry deployment, this is not a reasonable target.

The United States telecommunications industry operates cooperatively through industry committees to establish standards and generic requirements for efficient development of new capabilities and interoperability such as the one Telegate proposes. The proposal of a new AIN-based capability would have to undergo review and design by those in the industry most expert in AIN infrastructure and deployment in order to assure that deployment across the country was compatible and efficient.

⁴¹ See id. at 28 ¶ 57.

V. CONCLUSION

For the reasons stated above, Telegate's proposal should be denied.

Respectfully submitted,

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May 30, 2000

CERTIFICATE OF SERVICE

I, Kristi Jones, do hereby certify that I have caused 1) the foregoing **COMMENTS OF U S WEST COMMUNICATIONS, INC.** to be filed electronically with the FCC by using its Electronic Comment Filing System, 2) two copies of the **COMMENTS** to be served, via hand delivery, upon the person listed on the attached service list (marked with an asterisk), 3) a courtesy copy of the **COMMENTS** to be served, via hand delivery, upon the persons/entity listed on the attached service list (marked with a number sign) and 4) a courtesy copy of the **COMMENTS** to be served, via first class United States mail, postage prepaid, upon all other persons listed on the attached service list.

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